



Lehigh County Redevelopment Authority
May 4, 2023 Meeting

The meeting of the Lehigh County Redevelopment Authority was held at 9:00 a.m. by Zoom video conference. A recording of this meeting is available at <https://www.lehighcounty.org/Departments/Community-Economic-Development/Lehigh-County-Redevelopment-Authority>.

ATTENDING

Oscar Ghasab (OG), Chris Gulotta (CG), Ricky Gower (RG), Kent Herman (KH)
Steven Neratko (SN), David Weinstein (DW), Michael Yeager (MY).

Staff: Virginia Haas (VH), Cyndi King (CK), Frank Kane (FK)

FK welcomed everyone and thanked them for agreeing to serve on the Board of the reconstituted Lehigh County Redevelopment Authority (RDA). FK presented a brief history on the RDA and enumerated benefits to County municipalities on having an operating RDA. FK briefly outlined the day's agenda.

VK announced each member's name and asked them to introduce themselves to the group.

SN: Is a Chief Planner at Lehigh Valley Planning Commission and has been involved in local and municipal governments for 15-20 years in Pennsylvania, Vermont, and New York.

DW: Owns Sunburst Property Management which owns and manages properties in the Lehigh Valley for 42-years. He is Chair and has been a member of the Lehigh County Housing Authority Board for 18-years.

MY: Born and raised in Allentown. Recently retired as the President & CEO of The Mutual Insurance Company of Lehigh County a/k/a Community Insurance Company. He is on the Lehigh County Housing Authority Board for 7-years and is involved with the Community Music School.

RG: Born and raised in the Lehigh Valley and lives in North Whitehall Township. He is a retail area leader for Truist and has been with the company for 21-years. His career has been in the Lehigh Valley and he has been a part of the company through all of the legacy organizations. He is chair of the Main Street Lehigh Valley Foundation.

OG: Is an Allentown real estate agent with 5-years of experience who also sits on the Allentown Blighted Property Review Committee.

FK introduced the proposed manager of the RDA, CG, and the proposed solicitor, KH. FK opened the floor for discussion on hiring CG as the contract manager.

CG said a few words citing his proposal, expertise and experience all of which was included in the packet provided to each member prior to the meeting. CG was the executive director of Cumberland County Redevelopment Authority for 30-years from 1980 to 2010 after which he started his consulting business working with a number of redevelopment authorities across the state. He also helped to form a number of land banks across Pennsylvania. CG is a resident of Palmer Township, Northampton County, and has lived there since 2014.

FK opened the floor for discussion. Seeing no discussion, FK called for a roll-call vote on hiring CG not to exceed the contracted price. CG was unanimously voted to be retained by the RDA as contract manager.

FK introduced the proposed solicitor, KH, who said a few words about himself. KH was born and raised in Allentown, attending Lafayette University and returning to the Lehigh Valley after law school where he clerked in Northampton County and practiced law in Allentown for about 25-years. He is one of the founding members of King, Spry (a Lehigh Valley-based firm) which is the largest public service law firm servicing schools. He has a long history of representing local housing authorities and non-profit, affordable housing providers. He is a long-term board member of the Lehigh Valley Planning Commission. KH worked briefly with CG and reaffirmed CG's skills and supported the RDA's selection of CG as contract manager. KH provided a brief history on the Lehigh County RDA.

FK opened the floor for discussion. Seeing no discussion, FK called for a roll-call vote on hiring KH as contract solicitor not to exceed \$5,000 per year. KH was unanimously voted to be retained by the RDA as solicitor.

FK opened the floor to volunteers for or nominations of the positions of Chair and Vice-Chair. CG shared what duties might be expected of those respective positions. MY offered to Chair the RDA. SN offered to fill the Vice-Chair position. FK opened the floor to discussion on MY and SN as Chair and Vice-Chair nominees. There being no discussion, FK called for a voice vote. Both MY and SN were unanimously voted in as Chair and Vice-Chair respectively.

FK turned the meeting over to MY.

The next Board positions to be filled were Secretary and Treasurer. CG shared what duties might be expected of those positions. Additionally, KH offered his legal insight on other administrative matters pertaining to the RDA. RG offered to serve as Secretary. OG offered to serve as Treasurer. MY opened the floor for discussion. DW made a motion to accept RG as Secretary and OG as Treasurer; SN seconded. Voice vote. Unanimous approval of the slate.

FK gave a brief history of the Lehigh County Redevelopment Authority bringing matters up-to-date.

NEW BUSINESS

MY asked VH for information on the request from VHDC-Mill II, Fountain Hill project listed on the agenda. VH acknowledged this request from VHDC will require official action from the newly formed RDA. Each board member received background information in their packet but in the event that members wanted a refresher, VH explained the situation as outlined in that packet. VH deferred to Chair who deferred to DW and KH for their expertise on the matter. KH noted his conflict of interest. KH represents the non-profit general partner of this ownership entity. KH explained that an employee of VHDC, who has done a good job of preserving affordable housing, along with recent press on the current need for affordable housing, highlights why this project is an example of the difficulties in both developing and preserving affordable housing. KH provided history on the Mill project and insight into its funding and reasons for its financial situation. KH explained the benefit of granting loan forgiveness to VHDC-Mill II, Fountain Hill. KH deferred to CG. CG confirmed KH's position on tax-credit projects with the Mill project being a typical tax credit situation where funding sources are put into a project as (very) subordinate debt by a housing authority or a redevelopment authority. There is no expectation of repayment because there is no cash flow with affordable housing. CG concurs with KH.

MY asked for questions from the floor for CG or KH or any other questions. Hearing none, MY asked for a motion that the RDA, as its first plan of action, forgive this particular debt on VHDC-Mill II, Fountain Hill property so that it can move forward. DW made that motion and included authorization to MY to sign off on behalf of the RDA to retire this debt. RG seconded the motion. MY called for discussion. Hearing none, MY called for a voice vote. There was no opposition and the motion carried. KH advised that he will provide an update the RDA on this project which stabilizes much-needed affordable housing within the County. MY appreciated the work done on the information packet put together by the employee of VHDC on this particular property. MY appreciates the mandate associated with the low income housing promise and the amount of needed renovations to the property.

MY handed the floor to FK for brief background on the Iron Works Project. Borough of Catasauqua needs the RDA to assist in the disposition and administration of the asset in some portion of the project. FK said an MOU would need to be drawn up establishing the role and obligations for the RDA and the Borough. FK invited the management team at Catasauqua and their solicitor for a presentation of the project at the next RDA meeting. After that, earnest discussions can develop on how to undertake this project. CG outlined the role of a redevelopment authority and how Redevelopment Cooperation law permits public entities to convey property to a redevelopment authority which, in turn, reviews proposals by perspective developers to arrive at a "preferred developer". CG called the Iron Works Project "exciting" and believes it is a good first project for the RDA. CG will contact the Borough manager for information on prospective interest already expressed by developers on the Iron Works site. GC suggest a Zoom call with MY and the borough manager et al on 5/8/23.

MY asked for questions from the floor for FK or GC. MY asked for clarification whether there is a formal arraignment, agreement, or anything relative to or between the LCRDA and the Borough or is this all just a possibility. FK and CG both said “correct” there being nothing formal.

MY would like to specify a specific day or date for future meetings. VH suggested the first Thursday of each month at 9:00 a.m.. MY asked for comment from the Board. Unanimous agreement on that day of the month and time of day.

COMMENTS OR DISCUSSIONS

MY asked FK whether the RDA had to be involved with any budgetary processes. The Board approved the remuneration to CG and KH but does anything else need to be budgeted moving forward? FK replied in the affirmative that the County funded the RDA \$134,000. CG offered to draft a budget for the next meeting that will include the anticipated expenses; he will share suggestions on how to handle the accounting for the RDA and offer suggestions on insurance. CG will have a conversation with the Housing and Redevelopment Insurance Exchange which has been in existence for forty-years and insures RDAs. CG reminded the Board that by-laws will be necessary for this organization. CG advised that approval of by-laws will be on the next meeting’s agenda. Draft by-laws will be sent out in advance of the next meeting.

MY raised the topic of Errors and Omissions (E&O) exposure that board members might currently have since work (making motions, etc.) has already been done. MY asked whether there is an umbrella policy or will an E&O policy need to be purchased? FK deferred to KH who was not immediately aware of whether there is some other coverage which would basically provide a level of insurance protection for what is occurring and what occurred this date. However, under the statute and under other immunity statutes, there would be some statutory protection but that is only as good as the resources that are available to the RDA. KH says this is the best he can speculate at this point in terms of addressing MY’s immediate concern. KH agrees that obtaining appropriate coverage is an appropriate task. KH offered to review any by-law drafts that CG may have. KH suggested a contact list for the RDA. MY expressed that the RDA obtaining E&O insurance as quickly as possible is a necessary priority for his continued involvement with the Board.

MY opened the floor for comment or discussion.

DW reiterated his understanding that when CG develops the by-laws, CG will provide those drafts to KH so that once the by-laws are received by the Board, those by-laws will have been vetted by counsel. CG confirmed. DW asked CG if he would have an answer on the insurance by next month; CG answered “yes, if not sooner.”

MY asked FK if there was anything further he would like to add today? FK thanked everyone and said a few words. MY asked for any further business from anyone else. KH thanked FK and VH for overcoming all the hurdles to reconvening the RDA.

Hearing nothing further, MY asked for a motion for adjournment. DW made a motion to adjourn; SN seconded the motion. Voice vote for all in favor. Motion adjourned at approximately 11:30 a.m..

Respectfully submitted,
Cynthia L. King